

**INSTRUCTIONS TO VOTER  
USE A PENCIL ONLY**

**TO ENSURE YOUR VOTE COUNTS,  
COMPLETELY FILL IN THE  
OVAL (●) TO THE LEFT OF  
THE RESPONSE OF YOUR CHOICE.**

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**STATE MEASURE**

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**REFERENDUM ORDER BY PETITION OF THE PEOPLE**

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**30 ENACTS TEMPORARY PERSONAL INCOME TAX SURCHARGE; INCREASES,  
CHANGES CORPORATE, OTHER TAXES; AVOIDS SPECIFIC BUDGET CUTS**

- YES**      **RESULT OF "YES" VOTE:** "Yes" vote enacts temporary personal income tax surcharge; increases Corporate Minimum Tax; makes other corporate, income, property, cigarette tax increases, changes; avoids specific budget cuts.
- NO**        **RESULT OF "NO" VOTE:** "No" vote retains existing personal income, corporate and other tax laws; triggers \$544.6 million in budget cuts to education, healthcare, senior services, public safety.

**SUMMARY:** Enacts personal income tax surcharge for 2003, 2004 (and 2005, depending on projected General Fund ending balance). Surcharge is percentage of Oregon income tax owed; surcharge rate progresses from one to nine percent, depending on taxpayer's federal adjusted gross income; no surcharge if that income is below \$10,000. Increases \$10 Corporate Minimum Tax to \$250 or more, up to cap. Ends corporate extraterritorial income exclusion; temporarily reduces corporate dividend income deduction, tax credits. Restricts elderly medical expense deduction based on age, income. Reduces discount for full, eliminates discount for two-thirds, property tax payment by November 15. Extends 10 cent per pack cigarette tax through 2005. Avoids \$544.6 million in budget cuts to education, healthcare, senior services, public safety. Other provisions.

**ESTIMATE OF FINANCIAL IMPACT:** Passage of this measure increases state revenues and avoids scheduled state and local spending cuts of \$544.6 million in the budget for 2003-2005. It also prevents an additional projected state budget shortfall of \$258.1 million.

**The estimated revenue impact of this measure is as follows:**

	2003-2005	2005-2007
<b>State Revenue</b>		
Personal income tax*	\$591.3 million	\$205.5 million
Corporate income tax	\$146.2 million	\$107.5 million
Cigarette tax (extends 10 cent tax through 2005)	\$22.2 million	\$9.7 million
Property tax discount	\$43.0 million	\$0
<b>Local Revenue</b>		
Cigarette tax	-\$300,000	-\$140,000
Property tax discount	\$0	\$91.1 million

Approximately \$844 million of the revenues raised are temporary and \$372 million are permanent.

\*However, should certain economic conditions exist, \$261 million of the temporary personal income tax revenues will not be collected.

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**The state and local spending cuts avoided by the passage of this measure are:**

<b>Education</b>	<b>\$298.9 million</b>
Kindergarten - 12th Grade	\$284.6 million
Higher Education	\$ 14.3 million
<b>Healthcare and Human Services</b>	<b>\$187.6 million</b>
Children, Families, Seniors and Disabled Citizens	\$187.6 million
<b>Public Safety Services</b>	<b>\$58.1 million</b>
Prisons/Parole	\$24.7 million
Courts	\$23.7 million
Juvenile Corrections/State Police	\$ 9.7 million
<b>Total of scheduled state and local spending cuts</b>	<b>\$544.6 million</b>

**Total state expenditures of \$226,894 are required to implement the measure if enacted.**

**WARNING**

Any person who, by use of force or other means, unduly influences an elector to vote in any particular manner or to refrain from voting, is subject, upon conviction, to imprisonment or to a fine, or both. (ORS 254.470)